

Performance Summary

SA Metropolitan Fire Service Super Scheme – Members

May 2026



Performance

Funds SA is responsible for investing the assets of the SA Metropolitan Fire Service Superannuation Scheme. In this summary, Funds SA provides an overview of the performance of the investment options offered under the Scheme.

The table and chart below show Funds SA's Taxable investment option returns based on the post-tax unit pricing model.

Table 1: Taxable investment option returns to 31 May 2026

Returns are net of fees and tax

Investment Option	1 Month %	3 Months %	FYTD %	1 Year %	3 Years % p.a.	5 Years % p.a.	7 Years % p.a.	10 Years % p.a.
Cash	0.3	0.9	3.2	3.5	3.8	2.7	2.1	2.0
Capital Defensive	1.2	1.1	4.8	5.7	5.2	2.8	3.0	3.3
Conservative	1.3	1.1	5.9	6.9	6.2	3.7	4.1	4.4
Moderate	1.8	1.3	7.0	8.3	7.4	4.9	5.4	5.7
Balanced	2.1	1.4	8.2	9.7	8.6	5.9	6.9	7.0
High Growth	2.4	1.6	9.2	11.0	9.5	6.7	7.8	7.9

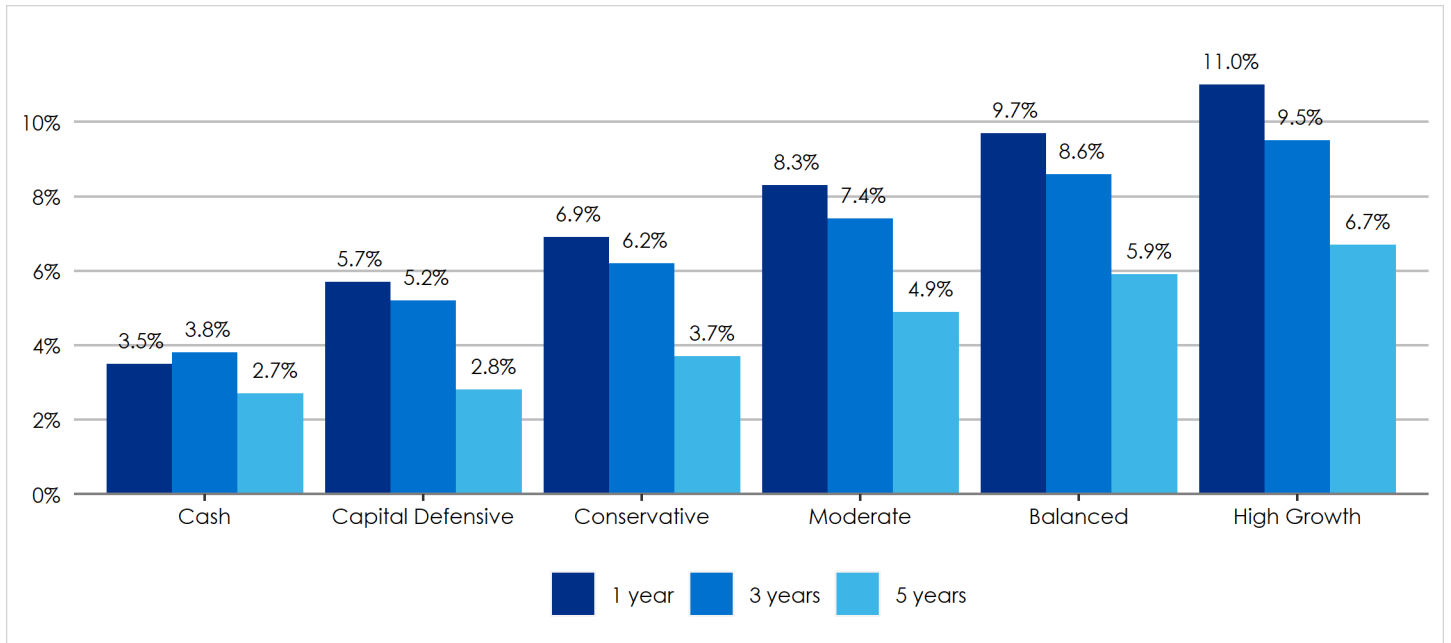
Note: The Taxable investment options were established in March 2005, with the exception of the Moderate investment option (established in June 2006).

Key drivers of performance

- All asset classes except Private Markets provided positive returns.
- International Equities delivered strong gains, supported by continued momentum in AI-related sectors, with emerging markets outperforming developed markets.
- Australian Equities performance was driven by a sharp rebound in the Materials sector. Banks were a headwind, while Biotech detracted significantly following a downgrade to CSL's earnings outlook.
- Infrastructure delivered positive returns over the month, with performance broadly based across the asset class and key contributions from data centre and transport investments.
- Government Bonds delivered a positive return as yields declined, particularly in Australia, benefiting performance given the overweight to domestic bonds.
- Credit performance was supported by high income, tightening spreads and lower nominal yields. Emerging market debt and high yield were key contributors, with spreads moving towards historically tight levels as markets continued to look through inflation uncertainty.

Chart 1: Taxable investment options annualised returns to 31 May 2026

Returns are net of fees and tax



Effective asset allocation

The effective asset allocation of the Funds SA Taxable investment options is shown in the table below.

Table 2: Effective asset allocation as at 31 May 2026

Asset Class	Cash %	Capital Defensive %	Conservative %	Moderate %	Balanced %	High Growth %
Australian Equities	0.0	5.0	8.5	17.4	24.5	30.0
International Equities	0.0	7.4	11.9	22.9	31.1	39.4
Private Markets	0.0	0.9	2.0	2.5	4.4	6.8
Property	0.0	4.8	5.7	5.7	6.8	6.9
Infrastructure	0.0	12.5	11.4	8.9	7.9	6.3
Alternatives	0.0	2.0	3.8	3.7	3.4	2.2
Credit	0.0	9.2	7.7	7.6	7.9	6.8
Fixed Interest	0.0	40.4	33.5	21.5	10.2	0.0
Cash	100.0	17.7	15.4	9.9	3.8	1.7
Total	100.0	100.0	100.0	100.0	100.0	100.0
Foreign Currency	0.0	4.7	8.3	14.7	21.6	25.9
Foreign Currency Hedge*	0.0	3.1	4.0	8.3	10.6	13.4

Note: Due to rounding, the sum of the individual numbers within the table may not equal the totals quoted. * The partial foreign currency hedge is the exposure converted back into Australian Dollars from investing in International Equities to achieve the Foreign Currency strategic allocation. All other asset classes that have international investments are typically fully currency hedged.

Financial market snapshot

The table below summarises broad financial market performance.

Table 3: Major market index returns to 31 May 2026

Market Index	1 Month %	3 Months %	FYTD %	1 Year % p.a.	3 Years % p.a.	5 Years % p.a.	7 Years % p.a.	10 Years % p.a.
Australian Equities	1.2	-4.0	5.5	7.0	11.0	7.9	8.4	9.1
International Equities	5.1	6.7	13.7	16.7	18.2	13.2	13.9	13.0
Australian Unlisted Property	0.3	2.2	7.5	8.2	-1.6	2.2	2.1	4.4
Credit	0.6	1.7	4.8	5.9	8.3	3.5	3.7	4.4
Global Fixed Interest	1.1	-0.5	0.8	1.6	1.9	-1.2	-0.4	1.1
Australian Fixed Interest	1.4	0.4	1.8	2.5	4.7	2.4	2.3	2.5
Cash	0.3	1.0	3.5	3.8	4.2	3.0	2.3	2.2
Foreign Currency (AUD v. Developed Markets)	0.4	1.2	10.2	11.7	2.6	-1.7	-0.3	-0.4

Note: Returns hedged to the Australian Dollar: Global Fixed Interest, Credit. Equity returns are expressed in AUD.

Financial market commentary

Global Equities

Global equities rose over the month despite periods of geopolitical volatility. Markets weakened initially as tensions involving Iran pushed oil prices higher and lifted inflation concerns. Sentiment improved later in the month, with markets rebounding on expectations of a US-Iran agreement.

The MSCI World ex Australia Index increased 4.4% in May. Emerging markets outperformed, rising 9.5%, supported by strong gains in technology-linked markets. Ongoing strength in AI-related sectors remained a key driver of returns, particularly across semiconductor and hardware supply chains.

In the US, the Dow Jones Industrials index rose 2.8%, the S&P 500 gained 5.2% and the Nasdaq advanced 8.4%, with all ending the month at record highs. Performance was supported by continued earnings strength in large cap technology companies and sustained demand for AI exposures.

Across Asia, the MSCI Asia Pacific ex-Japan Index rose 9.4%, led by South Korea and Taiwan, where AI-related chip stocks drove gains. European equities also moved higher, with the STOXX Europe 600 up 2.4%, supported by large cap technology stocks and improved sentiment as oil prices eased.

Australian Equities

The S&P/ASX 200 Index rose 0.8% in May, underperforming global peers. The market was influenced by geopolitical volatility, the Federal Budget and shifting rate expectations following the RBA's 25 basis point increase. Financials detracted, reflecting concerns around housing market softness and proposed changes to capital gains tax and negative gearing, while resource stocks provided support.

Materials led the market, rising 10.5% on strength in copper and double-digit gains in BHP and Rio Tinto. Consumer Discretionary rose 4.6% and Industrials gained 2.0%. Health Care was the weakest sector, falling 9.2%, with CSL declining following another earnings downgrade. Energy, Utilities and Financials also declined.

Fixed Interest and Credit

Bond yields were volatile in May as markets balanced persistent inflation pressures with improving sentiment later in the month. This was supported by easing oil prices and expectations of a US-Iran agreement. In the US, Treasury yields moved higher, with the 2-year yield rising 10 basis points to 3.98% and the 10-year yield up 5 basis points to 4.44%, reflecting resilient economic data and ongoing inflation concerns. The US dollar strengthened over the month, closing at 0.7164.

In Australia, bond yields declined, with 3-year and 10-year government bond yields falling 29 basis points and 23 basis points to 4.48% and 4.84% respectively. This reflected softer domestic data and a moderation in expectations for further policy tightening. The RBA increased the cash rate by 25 basis points to 4.35%, citing upside inflation risks, although expectations for additional near-term hikes eased as data softened.

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